

**Qualifications of Michael Gorman**

1    **Q     PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2    A     Michael P. Gorman. My business mailing address is P. O. Box 412000, 1215 Fern  
3         Ridge Parkway, Suite 208, St. Louis, Missouri 63141-2000.

4    **Q     PLEASE STATE YOUR OCCUPATION.**

5    A     I am a consultant in the field of public utility regulation with Brubaker & Associates, Inc.,  
6         energy, economic and regulatory consultants.

7    **Q     PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND WORK  
8         EXPERIENCE.**

9    A     In 1983 I received a Bachelors of Science Degree in Electrical Engineering from  
10         Southern Illinois University, and in 1986, I received a Masters Degree in Business  
11         Administration with a concentration in Finance from the University of Illinois at  
12         Springfield. I have also completed several graduate level economics courses.

13         In August of 1983, I accepted an analyst position with the Illinois Commerce  
14         Commission (ICC). In this position, I performed a variety of analyses for both formal and  
15         informal investigations before the ICC, including: marginal cost of energy, central  
16         dispatch, avoided cost of energy, annual system production costs, and working capital.  
17         In October of 1986, I was promoted to the position of Senior Analyst. In this position, I  
18         assumed the additional responsibilities of technical leader on projects, and my areas of  
19         responsibility were expanded to include utility financial modeling and financial analyses.

20         In 1987, I was promoted to Director of the Financial Analysis Department. In this  
21         position, I was responsible for all financial analyses conducted by the staff. Among other  
22         things, I conducted analyses and sponsored testimony before the ICC on rate of return,

1 financial integrity, financial modeling and related issues. I also supervised the  
2 development of all Staff analyses and testimony on these same issues. In addition, I  
3 supervised the Staff's review and recommendations to the Commission concerning utility  
4 plans to issue debt and equity securities.

5 In August of 1989, I accepted a position with Merrill-Lynch as a financial  
6 consultant. After receiving all required securities licenses, I worked with individual  
7 investors and small businesses in evaluating and selecting investments suitable to their  
8 requirements.

9 In September of 1990, I accepted a position with Drazen-Brubaker & Associates,  
10 Inc. In April, 1995 the firm of Brubaker & Associates, Inc. (BAI) was formed. It includes  
11 most of the former DBA principals and Staff. Since 1990, I have performed various  
12 analyses and sponsored testimony on cost of capital, cost/benefits of utility mergers and  
13 acquisitions, utility reorganizations, level of operating expenses and rate base, cost of  
14 service studies, and analyses relating industrial jobs and economic development. I also  
15 participated in a study used to revise the financial policy for the municipal utility in  
16 Kansas City, Kansas.

17 At BAI, I also have extensive experience working with large energy users to  
18 distribute and critically evaluate responses to requests for proposals (RFPs) for electric,  
19 steam, and gas energy supply from competitive energy suppliers. These analyses  
20 include the evaluation of gas supply and delivery charges, cogeneration and/or  
21 combined cycle unit feasibility studies, and the evaluation of third-party asset/supply  
22 management agreements. I have also analyzed commodity pricing indices and forward  
23 pricing methods for third party supply agreements. Continuing, I have also conducted  
24 regional electric market price forecasts.

25 In addition to our main office in St. Louis, the firm also has branch offices in  
26 Kerrville, Texas; Plano, Texas; Denver, Colorado; and Chicago, Illinois.

1 Q HAVE YOU EVER TESTIFIED BEFORE A REGULATORY BODY?

2 A Yes. I have sponsored testimony on cost of capital, revenue requirements, cost of  
3 service and other issues before the regulatory commissions in Arizona, Delaware,  
4 Georgia, Illinois, Indiana, Michigan, Missouri, New Mexico, Oklahoma, Tennessee,  
5 Texas, Vermont, West Virginia and Wisconsin. I have also sponsored testimony before  
6 the Board of Public Utilities in Kansas City, Kansas; presented rate setting position  
7 reports to the regulatory board of the municipal utility in Austin, Texas, and Salt River  
8 Project, Arizona, on behalf of industrial customers; and negotiated rate disputes for  
9 industrial customers of the Municipal Electric Authority of Georgia in the LaGrange,  
10 Georgia district.

11 Q PLEASE DESCRIBE ANY PROFESSIONAL REGISTRATIONS OR ORGANIZATIONS  
12 YOU BELONG TO.

13 A I earned the designation of Chartered Financial Analyst (CFA) from the Association for  
14 Investment Management and Research (AIMR). The CFA charter was awarded after  
15 successfully completing three examinations which covered the subject areas of financial  
16 accounting, economics, fixed income and equity valuation and professional and ethical  
17 conduct. I am a member of AIMR's Financial Analyst Society.

## ILLINOIS-AMERICAN WATER COMPANY

### Comparable Group

Line	Utility	Moody's Bond Rating <sup>1</sup> (1)	Value Line Safety Rank <sup>2</sup> (2)	Value Line Financial Strength <sup>2</sup> (3)	Present Water Reserves <sup>1</sup> (4)
1	American States Water Co.	A1	3	B+	92%
2	California Water Service Group	Aa3	2	A	100%
3	E'Town Corp.	A2	2	B+	100%
4	Philadelphia Suburban Corp.	NA	2	B+	99%
5	American Water Works	A3	1	A	98%
6	Average		2	B+	98%

Source: <sup>1</sup> C.A. Turner Utility Reports, August, 2000

<sup>2</sup> The Value Line Investment Survey dated: May 5, 2000

## ILLINOIS-AMERICAN WATER COMPANY

13 Week Average  
Constant Growth DCF Model

Line	Utility	IBES 5 Year Estimated Growth % <sup>1</sup> (1)	IBES Quarterly (2)	13 Week Average Price <sup>2</sup> (3)	Quarterly Dividend <sup>3</sup> (4)	Constant Growth DCF (5)
1	American States Water Co.	4.50%	1.106%	29.21	0.320	9.16%
2	California Water Service Group	N/A	N/A	23.94	0.275	N/A
3	E'Town Corp.	3.00%	0.742%	66.17	0.510	6.21%
4	Philadelphia Suburban Corp.	11.08%	2.662%	22.07	0.180	14.75%
5	American Water Works	5.85%	1.431%	24.43	0.225	9.80%
6	Mean	6.108%	1.49%	33.16	0.302	9.98%
7	Median	5.175%	1.27%	24.43	0.275	9.48%

Source: <sup>1</sup> I/B/E/S International, Inc. via the Internet

<sup>2</sup> Yahoo.com, historical stock prices

<sup>3</sup> The Value Line Investment Survey, dated May 5, 2000

## ILLINOIS-AMERICAN WATER COMPANY

### Comparable Water Utilities

<u>Line</u>	<u>Utility</u>	<u>Beta</u>
1	American States Water Co.	0.60
2	California Water Service Group	0.55
3	E'Town Corp.	0.50
4	Philadelphia Suburban Corp.	0.55
5	American Water Works	0.55
6	<b>Average</b>	<b>0.55</b>

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Source: The Value Line Investment Survey  
dated, May 5, 2000

# ILLINOIS-AMERICAN WATER COMPANY

## CAPM Cost Estimate

<u>Line</u>	<u>Description</u>	<u>Historical Premium</u>
1	CAPM	9.9%
2	Rf	6.0%
3	Risk Premium	7.0%
4	Beta	0.55
		<u>Prospective Premium</u>
5	CAPM	10.3%
6	Rf	6.0%
7	Risk Premium	7.8%
8	Beta	0.55
9	CAPM Average	10.1%

Sources: 1) Value Line Investment Survey, dated May 5, 2000  
2) Blue Chip Financial Forecast, August 1, 2000

# ILLINOIS AMERICAN WATER COMPANY

## District Revenue Requirement Adjustments

<u>Pre-tax Rate Of Return</u>	
At 11.25% ROE	11.99%
At 10.0% ROE	<u>11.09%</u>
Adjustment	0.90%

Line	Description	Rate Base (1)	Current Revenue (2)	Proposed Revenue (3)	IAWC Proposed		IIWC Adjusted		
					Increase Amount (4)	Percent (5)	Revenue Adjustment (6) (Col 1 * 0.9%)	Adjusted Revenue Increase (7) (Col 4 - Col 6)	Percent (8) (Col 7 / Col 2)
1	Total Company (Including Pekin & Lincoln)	\$ 318,491,017	\$ 99,830,332	\$ 108,787,325	\$ 8,956,993	8.97%	\$ 2,696,448	\$ 6,260,545	6.27%
2	Southern/Peoria Districts	229,162,615	68,754,117	75,552,910	6,798,793	9.89%	2,068,522	4,730,271	6.88%
3	Champaign	46,667,814	15,737,425	17,256,520	1,519,095	9.65%	421,244	1,097,851	6.98%
4	Sterling	6,208,313	2,370,400	2,592,140	221,740	9.35%	56,039	165,701	6.99%
5	Streator	8,402,205	2,750,993	3,036,944	285,951	10.39%	75,842	210,109	7.64%
6	Pontiac	8,286,857	2,447,602	2,579,016	131,414	5.37%	74,801	56,613	2.31%
7	Pekin	11,529,436	4,920,995	4,920,995	-	0.00%	-	-	0.00%
8	Lincoln	8,233,777	2,848,800	2,848,800	-	0.00%	-	-	0.00%

Source: IAWC Ex No 12.0 Sch C-1



# ILLINOIS AMERICAN WATER COMPANY

## Rate of Return Adjustment

<u>Line</u>	<u>Description</u>	<u>Amount</u> (1)	<u>Ratio</u> (2)	<u>Cost</u> (3)	Weighted <u>Cost</u> (4)	Pre-tax Weighted <u>Cost</u> (5)
1	Long-Term Debt	\$ 170,643,270	55.2%	6.97%	3.85%	3.85%
2	Preferred Stock	627,454	0.2%	6.25%	0.01%	0.02%
3	Common Equity	<u>138,036,412</u>	44.6%	11.25%	<u>5.02%</u>	<u>8.12%</u>
4	Total	\$ 309,307,136	100.0%		8.88%	11.99%
5	Long-Term Debt	\$ 170,643,270	55.2%	6.97%	3.85%	3.85%
6	Preferred Stock	627,454	0.2%	6.25%	0.01%	0.02%
7	Common Equity	<u>138,036,412</u>	44.6%	10.00%	<u>4.46%</u>	<u>7.22%</u>
8	Total	\$ 309,307,136	100.0%		8.32%	11.09%

Composite Tax Factor 1.61809  
Source: IAWC Ex 13.0, Sch D-1

## ILLINOIS AMERICAN WATER COMPANY

### Southern/Peoria District Revenue Requirements

<u>Line</u>	<u>Description</u>	<u>Amount</u> <u>(000)</u>
1	2001 Rate Base	\$ 229,163
2	1999 Rate Base	<u>184,836</u>
3	Increase in Rate Base	\$ 44,327
4	IAWC Proposed Pre-tax Cost of Capital	11.99%
5	Increase Pre-tax Operating Income	\$ 5,315
6	2001 Depreciation Expense	\$ 12,844
7	1999 Depreciation Expense	<u>10,155</u>
8	Increase in Depreciation Expense	\$ 2,689
9	Total Increase to Revenue Requirements	\$ 8,004

**ILLINOIS-AMERICAN WATER COMPANY**  
Southern and Peoria

**Exhibit MPG-1 ( )**  
**Schedule 7**

Depreciation Accrual by Major Account

Line	Object Number	Account Description	Current Annual Depreciation Amount (1)	Proposed Annual Depreciation Amount (2)	Increase Amount (3)
1	301000	Organization	\$ -	\$ -	\$ -
2	302000	Franchises	-	-	-
3	339600	Other P/E - Comp. Planning	29,680	29,680	-
4	303200	Land & Land Rights - Source of Supply	-	-	-
5	304100	Structures & Improvements - SS	283,959	150,198	(133,761)
6	305000	Collecting & Impounding	1,042	1,154	112
7	306000	Lake River & Other Intakes	41,736	48,651	6,915
8	307000	Wells and Springs	6,062	12,510	6,448
9	309000	Supply Mains	45,793	56,390	10,597
10	303300	Land & Land Rights - Production	-	-	-
11	304200	Structures & Improvements - Prod	264,545	338,948	74,403
12	310100	Power Generation Equipment	32,787	32,432	(355)
13	311200	Pumping Equipment - Electrical	578,515	718,444	139,929
14	311300	Pumping Equipment - Diesel	36,485	19,822	(16,663)
15	311500	Pumping Equipment - Other	5,095	5,491	396
16	303400	Land & Land Rights - Water Treatment	-	-	-
17	304300	Structures & Improvements - WT	1,037,709	890,516	(147,193)
18	320100	Water Treatment (Non-M)	1,803,526	2,306,299	502,773
19	303500	Land & Land Rights - Transmission	-	-	-
20	304400	Structures & Improvements - TD	-	-	-
21	330001	Distribution Reservoirs & Standpipes	125,506	210,032	84,526
22	331001	T & D Mains Conversion	1,927,068	1,581,184	(345,884)
23	333000	Services	1,383,082	2,337,554	954,472
24	334110	Meters Bronze Case	309,655	1,217,583	907,928
25	334120	Meters Plastic Case	17,991	43,286	25,295
26	334200	Meters Installations	666,288	663,661	(2,627)
27	335000	Hydrants	573,006	451,356	(121,650)
28	303600	Land & Land Rights - Administrative	-	-	-
29	304500	Structures & Improvements - AG	-	-	-
30	304600	Office Structures	143,989	93,525	(50,464)
31	304601	Office Structures & Improv Leased	-	-	-
32	304700	Stores, Shop & Garage Structures	132,969	78,172	(54,797)
33	304800	Miscellaneous Structures	15,095	6,776	(8,319)
34	340100	Office Furniture	32,201	30,622	(1,579)
35	340200	Computer & Peripheral	124,322	98,458	(25,864)
36	340300	Computer Software	235	178	(57)
37	340301	Personal Computer Software	29,886	45,151	15,265
38	340400	Data Handling Equipment	-	-	-
39	340500	Other Office Equipment	6,428	7,792	1,364
40	341100	Light Duty Trucks	502,464	307,292	(195,172)
41	341200	Heavy Duty Trucks	61,428	27,568	(33,860)
42	341300	Automobiles	80,332	-	(80,332)
43	341400	Trans Equipment - Other	5,065	403	(4,662)
44	342000	Stores Equipment	3,794	5,315	1,521
45	343000	Tools, Shop & Garage Equipment	206,384	70,171	(136,213)
46	344000	Laboratory Equipment	28,373	28,071	(302)
47	345000	Power Oper Equipment	40,141	100,787	60,646
48	346001	Comm Equipment Conversion	133,637	46,021	(87,616)
49	346100	Comm Equipment (Non-Telephone)	1,452	500	(952)
50	346200	Comm Equipment Telephone	-	-	-
51	347000	Miscellaneous Equipment	31,309	13,883	(17,426)
52	102.1	FAS 109 - AFUDC Debt	-	-	-
53		Subtotal	10,749,034	12,075,876	1,326,842
		Allocations:			
54		Southern Corporate Office	46,602	10,405	(36,197)
55		Northern Corporate Office	44,287	16,266	(28,021)
56		State Corporate Office	951,349	724,491	(226,858)
57		Total Allocations	1,042,238	751,162	(291,076)
58		Total Depreciable Property	\$ 11,791,272	\$ 12,827,038	\$ 1,035,766
59		Services & Meters (Lines 23 thru 26)	\$ 2,377,016	\$ 4,262,084	\$ 1,885,068

**ILLINOIS-AMERICAN WATER COMPANY**  
Southern and Peoria

**Exhibit MPG-1 ( )**  
**Schedule 8**

Plant in Service by Major Account

Line	Object Number	Account Description	Actual 12/31/99 (1)	At 12/31/01 (2)	Increase Amount (3)
1	301000	Organization	\$ 78,840	\$ 78,840	\$ -
2	302000	Franchises	769	769	-
3	339600	Other P/E - Comp. Planning	148,400	148,400	-
4	303200	Land & Land Rights - Source of Supply	98,318	98,318	-
5	304100	Structures & Improvements - SS	2,007,452	5,628,272	3,620,820
6	305000	Collecting & Impounding	39,034	54,034	15,000
7	306000	Lake River & Other Intakes	2,151,109	2,343,662	192,553
8	307000	Wells and Springs	429,914	429,914	-
9	309000	Supply Mains	3,465,212	3,759,896	294,684
10	303300	Land & Land Rights - Production	599,453	1,793,933	1,194,480
11	304200	Structures & Improvements - Prod	6,941,309	10,043,536	3,102,227
12	310100	Power Generation Equipment	1,198,051	1,169,251	(28,800)
13	311200	Pumping Equipment - Electrical	18,569,019	21,854,499	3,285,480
14	311300	Pumping Equipment - Diesel	868,061	856,028	(12,033)
15	311500	Pumping Equipment - Other	53,342	38,428	(14,914)
16	303400	Land & Land Rights - Water Treatment	61,925	116,040	54,115
17	304300	Structures & Improvements - WT	24,044,355	36,573,821	12,529,466
18	320100	Water Treatment (Non-M)	33,694,957	44,092,458	10,397,501
19	303500	Land & Land Rights - Transmission	1,330,802	1,500,450	169,648
20	304400	Structures & Improvements - TD	-	-	-
21	330001	Distribution Reservoirs & Standpipes	6,204,730	8,535,629	2,330,899
22	331001	T & D Mains Conversion	114,177,921	121,510,341	7,332,420
23	333000	Services	34,015,162	37,224,166	3,209,004
24	334110	Meters Bronze Case	6,936,224	8,766,967	1,830,743
25	334120	Meters Plastic Case	299,157	84,604	(214,553)
26	334200	Meters Installations	12,401,657	13,406,640	1,004,983
27	335000	Hydrants	11,044,076	11,929,776	885,700
28	303600	Land & Land Rights - Administrative	450,381	797,959	347,578
29	304500	Structures & Improvements - AG	-	-	-
30	304600	Office Structures	3,356,219	3,364,219	8,000
31	304601	Office Structures & Improv Leased	-	-	-
32	304700	Stores, Shop & Garage Structures	2,489,940	2,513,590	23,650
33	304800	Miscellaneous Structures	315,863	309,418	(6,445)
34	340100	Office Furniture	675,328	686,774	11,446
35	340200	Computer & Peripheral	1,187,196	966,925	(220,271)
36	340300	Computer Software	11,258	3,168	(8,090)
37	340301	Personal Computer Software	201,117	201,117	-
38	340400	Data Handling Equipment	-	-	-
39	340500	Other Office Equipment	74,767	74,507	(260)
40	341100	Light Duty Trucks	2,662,751	2,820,853	158,102
41	341200	Heavy Duty Trucks	402,982	364,587	(38,395)
42	341300	Automobiles	246,802	225,913	(20,889)
43	341400	Trans Equipment - Other	48,565	48,565	-
44	342000	Stores Equipment	116,034	116,034	-
45	343000	Tools, Shop & Garage Equipment	2,185,561	2,312,283	126,722
46	344000	Laboratory Equipment	631,004	579,583	(51,421)
47	345000	Power Oper Equipment	1,438,016	1,449,875	11,859
48	346001	Comm Equipment Conversion	958,347	962,798	4,451
49	346100	Comm Equipment (Non-Telephone)	10,457	10,457	-
50	346200	Comm Equipment Telephone	-	-	-
51	347000	Miscellaneous Equipment	593,754	566,719	(27,035)
52		Subtotal	298,915,591	350,414,016	51,498,425
		Allocations:			
53		Southern Corporate Office	262,138	259,350	(2,788)
54		Northern Corporate Office	244,966	259,510	14,544
55		State Corporate Office	6,213,456	8,355,821	2,142,365
56		Total Allocations	6,720,560	8,874,681	2,154,121
57		Total Depreciable Property	\$ 305,636,151	\$ 359,288,697	\$ 53,652,546
58		Services & Meters (Lines 23 thru 26)	\$ 53,652,200	\$ 34,187,987	\$ 5,830,177

# ILLINOIS-AMERICAN WATER COMPANY

## Allocation of Proposed Increase with IWC Revenue Adjustment Southern Division and Peoria District

Line	Class Description	Total Current Revenue (1)	Customer Current Revenue (2)	IWC Proposed Customer Revenue (3)	Customer Percent Increase (4)	Volumetric Current Revenue (5)	IWC Proposed Volumetric Revenue (6)	Volumetric Percent Increase (7)	Total IWC Proposed Revenue (8)	Total Percent Increase (9)	Allocation of Depreciation Increase (10)	Step 1 IWC Proposed Revenue (11)	Step 2 Customer/ Volume Increase (12)	Step 2 Total IWC Proposed Revenue (13)	Total IWC Proposed Increase (14)	Percent Increase (15)
		Exhibit 14.0, Pg 52		(Col 2 + Col 10) * (1 + % from Col 12)		(Col 1 - Col 2)	(Col 13 - Col 2)		(Col 8 + Col 3)		\$1,056,549 (Alloc on Col 2 - but only to classes receiving an increase)	(Col 10 + Col 1)	\$2,271,729 (Alloc on Col 11 - but only to classes receiving an increase)	(Col 11 + Col 12)	(Col 13 - Col 1)	
											5.48%		3.42%			
1	Residential	35,461,790	\$15,188,672	\$16,544,863	9.09%	20,295,118	20,989,577	3.42%	37,534,440	5.84%	\$830,789	\$36,292,579	\$1,241,861	\$37,534,440	\$2,072,650	5.8%
2	Residential Inside Shiloh	285,881	159,383	159,383	0.00%	126,498	126,498	0.00%	285,881	0.00%	-	285,881		285,881	-	0.0%
3	Residential Outside Shiloh	14,613	7,257	7,257	0.00%	7,356	7,356	0.00%	14,613	0.00%	-	14,613		14,613	-	0.0%
4	Total Residential	35,762,284	15,333,312	16,711,503	8.99%	20,428,972	21,123,431	3.40%	37,834,934	5.80%	830,789	36,593,073	1,241,861	37,834,934	2,072,650	5.8%
5	Commercial	11,883,820	2,861,765	\$3,121,813	9.09%	9,022,055	9,330,772	3.42%	12,452,585	4.79%	\$156,760	12,040,580	412,005	12,452,585	568,765	4.8%
6	Commercial Inside Shiloh	73,174	8,721	8,721	0.00%	64,453	64,453	0.00%	73,174	0.00%	-	73,174		73,174	-	0.0%
7	Total Commercial	11,956,994	2,870,486	3,130,534	9.06%	9,086,508	9,395,225	3.40%	12,525,759	4.76%	156,760	12,113,754	412,005	12,525,759	568,765	4.8%
8	Industrial	3,700,988	308,640	\$336,686	9.09%	3,392,346	3,508,427	3.42%	3,845,114	3.89%	\$16,906	3,717,894	127,219	3,845,114	144,126	3.9%
9	Industrial Competitive Rate	1,701,763	-	-	0.00%	1,701,763	1,701,763	0.00%	1,701,763	0.00%	-	1,701,763		1,701,763	-	0.0%
10	Large Industrial Users	1,830,353	58,908	\$64,261	9.09%	1,771,445	1,832,060	3.42%	1,896,321	3.60%	\$3,227	1,833,580	62,742	1,896,321	65,968	3.6%
11	Total Industrial	7,233,104	367,548	400,947	9.08%	6,865,556	7,042,251	2.57%	7,443,198	2.90%	20,133	7,253,237	189,961	7,443,198	210,094	2.9%
12	Other Public Authorities	2,612,404	519,274	\$566,460	9.09%	2,093,130	2,164,753	3.42%	2,731,213	4.55%	\$28,444	2,640,848	90,365	2,731,213	118,809	4.5%
13	OPA Inside Shiloh	2,950	708	708	0.00%	2,242	2,242	0.00%	2,950	0.00%	-	2,950		2,950	-	0.0%
14	Total Other Public Authorities	2,615,354	519,982	567,168	9.07%	2,095,372	2,166,995	3.42%	2,734,163	4.54%	28,444	2,643,798	90,365	2,734,163	118,809	4.5%
15	Other Water Utilities	5,614,030	148,914	\$162,446	9.09%	5,465,116	5,652,122	3.42%	5,814,567	3.57%	\$8,157	5,622,187	162,380	5,814,567	200,537	3.6%
16	OWU Competitive Rate	924,748	-	-	0.00%	924,748	924,748	0.00%	924,748	0.00%	-	924,748		924,748	-	0.0%
17	Total Other Water Utilities	6,538,778	148,914	162,446	9.09%	6,389,864	6,576,870	2.93%	6,739,315	3.07%	8,157	6,546,935	162,380	6,739,315	200,637	3.1%
18	Private Fire Service	223,907	223,907	\$244,253	9.09%	-	-	0.00%	244,253	9.09%	\$12,265	236,172	8,081	244,253	20,346	9.1%
19	Public Fire Service	3,953,958	-	-	0.00%	3,953,958	4,089,255	3.42%	4,089,255	3.42%	-	3,953,958	135,297	4,089,255	135,297	3.4%
20	Other Water Sales	51,996	-	-	0.00%	51,996	53,775	3.42%	53,775	3.42%	-	51,996	1,779	53,775	1,779	3.4%
21	Alton Surcharge Revenue Requirements	-	-	-	-	-	1,351,842	-	1,351,842	-	-	-	-	1,351,842	1,351,842	-
22	Total Water Sales Revenue	\$68,336,375	\$19,464,149	\$21,216,851	9.00%	\$48,872,226	\$51,799,644	5.99%	\$73,016,495	8.85%	\$1,056,549	\$69,392,924	\$2,271,729	\$73,016,495	\$4,680,120	6.8%
23	Unbilled Revenue	-\$110,396	-	-	-	-	-	-	-	-	-	-	-	-	(11,450)	-
24	Other Operating Revenues	528,140	-	-	-	-	-	-	-	-	-	-	-	-	28,991	-
25	Total Operating Revenues	\$68,754,119	\$19,464,149	\$21,216,851	9.00%	\$48,872,226	-	-	-	-	-	-	-	-	\$4,695,661	-
26	Total Revenue of only those Classes Receiving Increase	\$65,333,246	\$19,288,080	-	-	-	-	-	-	-	-	\$66,389,795	\$2,271,729	-	-	-

# ILLINOIS-AMERICAN WATER COMPANY

## Allocation of IAWC Proposed Increase Southern Division and Peoria District

Line	Class Description	Total Current Revenue (1)	Customer Current Revenue (2)	IAWC Proposed Customer Revenue (3)	Customer Percent Increase (4)	Volumetric Current Revenue (5)	IAWC Proposed Volumetric Revenue (6)	Volumetric Percent Increase (7)	Total IAWC Proposed Revenue (8)	Total Percent Increase (9)	Allocation of Depreciation Increase (10)	Step 1 IAWC Proposed Revenue (11)	Step 2 Customer/ Volume Increase (12)	Step 2 Total IAWC Proposed Revenue (13)	Total IAWC Proposed Increase (14)	Percent Increase (15)
		Exhibit 14.0, Pg 62		(Col 2 + Col 10) * (1 + % from Col 12)		(Col 1 - Col 2)	(Col 13 - Col 2)		(Col 6 + Col 3)		\$1,056,549 (Alloc on Col 2 - but only to classes receiving an increase)	(Col 10 + Col 1)	\$4,300,252 (Alloc on Col 11 - but only to classes receiving an increase)	(Col 11 + Col 12)	(Col 13 - Col 1)	
											5.48%		6.48%			
1	Residential	35,461,790	\$15,166,672	\$17,033,662	12.31%	20,295,118	21,609,689	6.48%	38,843,351	8.97%	\$830,789	\$36,292,579	\$2,350,772	\$38,643,351	\$3,181,561	9.0%
2	Residential Inside Shiloh	285,881	159,383	159,383	0.00%	126,498	126,498	0.00%	285,881	0.00%	-	285,881	-	285,881	-	0.0%
3	Residential Outside Shiloh	14,613	7,257	7,257	0.00%	7,356	7,356	0.00%	14,613	0.00%	-	14,613	-	14,613	-	0.0%
4	Total Residential	35,762,284	15,333,312	17,200,302	12.18%	20,428,972	21,743,543	6.43%	38,843,845	8.90%	830,789	36,593,073	2,350,772	38,943,845	3,181,561	8.9%
5	Commercial	11,883,820	2,861,765	\$3,214,043	12.31%	9,022,055	9,806,439	6.48%	12,820,482	7.88%	\$156,760	12,040,580	779,902	12,820,482	936,662	7.9%
6	Commercial Inside Shiloh	73,174	8,721	8,721	0.00%	64,453	64,453	0.00%	73,174	0.00%	-	73,174	-	73,174	-	0.0%
7	Total Commercial	11,956,994	2,870,486	3,222,764	12.27%	9,086,508	9,870,892	6.43%	12,893,656	7.83%	156,760	12,113,754	779,902	12,893,656	936,662	7.8%
8	Industrial	3,700,988	308,640	\$346,633	12.31%	3,392,348	3,612,080	6.48%	3,958,713	8.96%	\$16,908	3,717,894	240,818	3,958,713	257,725	7.0%
9	Industrial Competitive Rate	1,701,763	-	-	0.00%	1,701,763	1,701,763	0.00%	1,701,763	0.00%	-	1,701,763	-	1,701,763	-	0.0%
10	Large Industrial Users	1,830,353	58,908	\$66,159	12.31%	1,771,445	1,886,186	6.48%	1,952,346	8.68%	\$3,227	1,833,580	118,768	1,952,346	121,993	8.7%
11	Total Industrial	7,233,104	367,548	412,792	12.31%	6,865,556	7,200,029	4.87%	7,612,822	5.25%	20,133	7,263,237	359,584	7,612,822	379,718	5.2%
12	Other Public Authorities	2,612,404	519,274	\$583,196	12.31%	2,093,130	2,228,708	6.48%	2,811,904	7.64%	\$28,444	2,640,848	171,055	2,811,904	199,500	7.6%
13	OPA Inside Shiloh	2,950	708	708	0.00%	2,242	2,242	0.00%	2,950	0.00%	-	2,950	-	2,950	-	0.0%
14	Total Other Public Authorities	2,615,354	519,982	583,904	12.29%	2,095,372	2,230,950	6.47%	2,814,854	7.63%	28,444	2,643,788	171,055	2,814,854	199,500	7.6%
15	Other Water Utilities	5,614,030	148,914	\$167,245	12.31%	5,465,116	5,819,107	6.48%	5,986,352	6.63%	\$8,157	5,822,187	364,165	5,986,352	372,322	6.6%
16	OWU Competitive Rate	924,748	-	-	0.00%	924,748	924,748	0.00%	924,748	0.00%	-	924,748	-	924,748	-	0.0%
17	Total Other Water Utilities	6,538,778	148,914	167,245	12.31%	6,389,864	6,743,855	5.64%	6,911,100	5.69%	8,157	6,546,935	364,165	6,911,100	372,322	5.7%
18	Private Fire Service	223,907	223,907	\$251,470	12.31%	-	-	0.00%	251,470	12.31%	\$12,265	236,172	15,298	251,470	27,563	12.3%
19	Public Fire Service	3,953,958	-	-	0.00%	3,953,958	4,210,067	6.48%	4,210,067	6.48%	-	3,953,958	256,109	4,210,067	256,109	6.5%
20	Other Water Sales	51,996	-	-	0.00%	51,996	55,364	6.48%	55,364	6.48%	-	51,996	3,368	55,364	3,368	6.5%
21	Alton Surcharge Revenue Requirements	-	-	-	-	-	1,391,841	-	1,391,841	-	-	-	-	1,391,841	1,391,841	-
22	Total Water Sales Revenue	\$68,336,375	\$19,464,149	\$21,838,476	12.20%	\$48,872,226	\$53,246,541	8.95%	\$75,085,017	9.88%	\$1,056,549	\$69,392,924	\$4,300,252	\$75,085,017	\$5,748,642	8.8%
23	Unbilled Revenue	\$-110,396	-	-	-	-	-	-	-	-	-	-	-	-	(11,450)	-
24	Other Operating Revenues	528,140	-	-	-	-	-	-	-	-	-	-	-	-	26,991	-
25	Total Operating Revenues	\$68,754,119	\$19,464,149	\$21,838,476	12.20%	\$48,872,226	-	-	-	-	-	-	-	-	\$6,784,183	-
26	Total Revenue of only those Classes Receiving Increase	\$65,333,246	\$19,288,080	-	-	-	-	-	-	-	-	\$66,389,795	\$4,300,252	-	-	-

**Illinois-American Water Company**  
Southern Division & Peoria District

**Residential, Commercial, Industrial and Public Service**

**With Adjustment of \$2,068,522 to Total Revenue Increase**

Line	Description	Southern Division <sup>(a)</sup>			Peoria District <sup>(a)</sup>		
		Current	BAI	Percent	Current	BAI	Percent
		Rate	Rate	Increase	Rate	Rate	Increase
<u>Customer Charges:</u>							
1	5/8" Monthly	\$10.50	\$11.45	9.09%	\$10.50	\$11.45	9.09%
2	3/4" Monthly	12.50	13.64	9.09%	12.50	13.64	9.09%
3	1" Monthly	20.50	22.36	9.09%	20.50	22.36	9.09%
4	1 1/2" Mthly	45.50	49.63	9.09%	45.50	49.63	9.09%
5	2" Monthly	70.50	76.91	9.09%	70.50	76.91	9.09%
6	3" Monthly	135.50	147.81	9.09%	135.50	147.81	9.09%
7	4" Monthly	225.50	245.99	9.09%	225.50	245.99	9.09%
8	6" Monthly	445.50	485.98	9.09%	445.50	485.98	9.09%
9	8" Monthly	710.50	775.06	9.09%	710.50	775.06	9.09%
<u>Consumption Charges (per Ccf)</u>							
10	For the first 30 Ccf	\$1.9870	\$2.0550	3.42%	\$1.9870	\$2.0550	3.42%
11	Next 570 Ccf	1.4500	1.4996	3.42%	1.4500	1.4996	3.42%
12	Next 12,400 Ccf	1.0710	1.1076	3.42%	1.0320	1.0673	3.42%
13	All over 13,000 Ccf	1.0290	1.0642	3.42%	0.8700	0.8998	3.42%
<u>Consumption Charges (per 1000 gallons)</u>							
14	For the first 23	2.6493	2.74	3.42%	2.6493	2.74	3.42%
15	Next 426	1.9333	1.9995	3.42%	1.9333	1.9995	3.42%
16	Next 9,300	1.4280	1.4769	3.42%	1.3760	1.4231	3.42%
17	All over 9,750	1.3720	1.4189	3.42%	1.1600	1.1997	3.42%

<sup>(a)</sup> Excludes "inside Shiloh" and "outside Shiloh" areas

**Illinois-American Water Company**  
Southern Division & Peoria District

Private Fire Service

With Adjustment of \$2,068,522 to Total Revenue Increase

<u>Line</u>	<u>Description</u>	<u>Southern Division <sup>(a)</sup></u>			<u>Peoria District <sup>(a)</sup></u>		
		<u>Current</u>	<u>Proposed</u>	<u>Percent</u>	<u>Current</u>	<u>Proposed</u>	<u>Percent</u>
		<u>Rate</u>	<u>Rate</u>	<u>Increase</u>	<u>Rate</u>	<u>Rate</u>	<u>Increase</u>
	<u>Customer Charges:</u>						
1	2 1/2 " and Smaller	\$6.00	\$6.55	9.09%	\$6.00	\$6.55	9.09%
2	3 " Diameter	6.00	6.55	9.09%	6.00	6.55	9.09%
3	4" Diameter	7.00	7.64	9.09%	7.00	7.64	9.09%
4	6" Diameter	12.00	13.09	9.09%	12.00	13.09	9.09%
5	8" Diameter	19.00	20.73	9.09%	19.00	20.73	9.09%
6	10" Diameter	30.00	32.73	9.09%	30.00	32.73	9.09%
7	12" Diameter	62.00	67.63	9.09%	62.00	67.63	9.09%
8	16" Diameter	129.00	140.72	9.09%	129.00	140.72	9.09%

<sup>(a)</sup> Excludes "inside Shiloh" and "outside Shiloh" areas



**Illinois-American Water Company**  
Southern Division & Peoria District

**Proposed Rates for**  
**Residential, Commercial, Industrial and Public Service**

Line	Description	Southern Division <sup>(a)</sup>			Peoria District <sup>(a)</sup>		
		IAWC	IIWC	Amount	IAWC	IIWC	Amount
		Proposed Rates	Proposed Rate	Difference	Proposed Rate	Proposed Rate	Difference
		(1)	(2)	(3)	(4)	(5)	(6)
	<u>Customer Charges:</u>						
1	5/8" Monthly	\$11.36	\$11.45	\$0.09	\$11.36	\$11.45	\$0.09
2	3/4" Monthly	13.53	13.64	0.11	13.53	13.64	0.11
3	1" Monthly	22.18	22.36	0.18	22.18	22.36	0.18
4	1 1/2" Mthly	49.24	49.63	0.39	49.24	49.63	0.39
5	2" Monthly	76.29	76.91	0.62	76.29	76.91	0.62
6	3" Monthly	146.62	147.81	1.19	146.62	147.81	1.19
7	4" Monthly	244.01	245.99	1.98	244.01	245.99	1.98
8	6" Monthly	482.08	485.98	3.90	482.08	485.98	3.90
9	8" Monthly	768.83	775.06	6.23	768.83	775.06	6.23
	<u>Consumption Charges (per Ccf)</u>						
10	For the first 30 Ccf	\$2.1501	\$2.0550	(\$0.0951)	\$2.1501	\$2.0550	(\$0.0951)
11	Next 570 Ccf	1.5690	1.4996	(0.0694)	1.5690	1.4996	(0.0694)
12	Next 12,400 Ccf	1.1589	1.1076	(0.0513)	1.1167	1.0673	(0.0494)
13	All over 13,000 Ccf	1.1135	1.0642	(0.0493)	0.9414	0.8998	(0.0416)
	<u>Consumption Charges (per 1000 gallons)</u>						
14	For the first 23	2.8668	2.7400	(0.1268)	2.8668	2.7400	(0.1268)
15	Next 427	2.0920	1.9995	(0.0925)	2.0920	1.9995	(0.0925)
16	Next 9,300	1.5452	1.4769	(0.0683)	1.4889	1.4231	(0.0658)
17	All over 9,750	1.4847	1.4189	(0.0658)	1.2552	1.1997	(0.0555)

<sup>(a)</sup> Excludes "inside Shiloh" and "outside Shiloh" areas

**Illinois-American Water Company**  
Southern Division & Peoria District

**Proposed Rates for  
Private Fire Service**

<u>Line</u>	<u>Description</u>	<u>Southern Division <sup>(a)</sup></u>			<u>Peoria District <sup>(a)</sup></u>		
		IAWC	IIWC	<u>Amount Difference</u>	IAWC	IIWC	<u>Amount Difference</u>
		<u>Proposed</u>	<u>Proposed</u>		<u>Proposed</u>	<u>Proposed</u>	
		<u>Rates</u>	<u>Rate</u>		<u>Rate</u>	<u>Rate</u>	
		(1)	(2)	(3)	(4)	(5)	(6)
	<u>Customer Charges:</u>						
1	2 1/2 " and Smaller	\$6.49	\$6.55	\$0.06	\$6.49	\$6.55	\$0.06
2	3 " Diameter	6.49	6.55	0.06	6.49	6.55	0.06
3	4" Diameter	7.57	7.64	0.07	7.57	7.64	0.07
4	6" Diameter	12.99	13.09	0.10	12.99	13.09	0.10
5	8" Diameter	20.56	20.73	0.17	20.56	20.73	0.17
6	10" Diameter	32.46	32.73	0.27	32.46	32.73	0.27
7	12" Diameter	67.09	67.63	0.54	67.09	67.63	0.54
8	16" Diameter (Southern)	139.59	140.72	1.13	-	-	-
9	16" Diameter (Peoria)	-	-	-	139.99	140.72	0.73

<sup>(a)</sup> Excludes "inside Shiloh" and "outside Shiloh" areas